VZCZCXRO8932 RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSL RUEHSR DE RUEHVJ #1252/01 3081609 ZNY CCCCC ZZH R 041609Z NOV 09 FM AMEMBASSY SARAJEVO TO RHMFISS/COMUSNAVEUR NAPLES IT INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHNO/USMISSION USNATO 0284 RUEHC/SECSTATE WASHDC 0953 RUFGCCM/USEUCOM STUTTGART GE RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001252

NOFORN SIPDIS

E.O. 12958: DECL: 11/02/2019

TAGS: PREL PGOV MARR BK
SUBJECT: BOSNIA: SCENESETTER FOR ADMIRAL FITZGERALD'S

NOVEMBER 9 VISIT TO SARAJEVO

Classified By: Amb. Charles English for reasons 1.4 (b) and (d)

SUMMARY

11. (C) Admiral: Your visit comes at a time of intense diplomatic activity responding to a increasingly negative trend in Bosnia's political climate. In October, the European Union and the United States began a process of high-level engagement aimed at breaking the impasse on issues critical to Bosnia's EU and NATO aspirations. The process is ongoing, but the outcome remains uncertain. Political leaders continue to engage in a destabilizing dialogue and focus their time and energy on the issues that divide the country rather than on those that could bring it together and move it forward. The initial success of defense reform is now old news, and the reform process even in that sector has remained stalled and incomplete for over a year. Even Bosnia's usually optimistic Ministry officials see that their neighbors are poised to move forward on the path to Euro-Atlantic integration and leave Bosnia behind.

Political Climate Continues to Deteriorate

12. (C) Over the past year, Bosnia has moved from one political crisis to another. With elections approaching in October 2010 and the clout of the Office of the High Representative (OHR) rapidly waning, political leaders from each ethnic group began to ratchet up nationalist rhetoric and their maximalist demands. Our effort to counter this trend, the process begun at Butmir base in October, led by Swedish Foreign Minister Carl Bildt and Deputy Secretary of State James Steinberg, aims to resolve outstanding objectives (including defense property) set as preconditions for the transition of OHR to an EU Special Representative and introduce constitutional changes that would give Bosnia the basic functionality it needs to begin its process towards NATO and EU accession. Membership in the EU and NATO are the two (ostensibly) unifying goals of an otherwise divided Bosnia and are the cornerstone of our strategy for ensuring that Bosnia's still-deep ethnic divides do not become a source of political instability or conflict in the region. The parties' disparate political positions remain a major obstacle to the package, however, but we are continuing our efforts with the EU to reach a compromise by the November 18 meeting of the Peace Implementation Council (PIC). Prime Minister of the Republika Srpska (RS) Milorad Dodik has made it clear that he is happy with the status quo and will accept only a minimalist package. He approached the constitutional reform talks with rhetoric about the RS's right to a referendum on independence, anathema to all who struggle to

create a peaceful, stable Bosnia. In this charged political environment of the past year there has been little scope for politicians to reach meaningful agreements on any issues that would advance Bosnia's Euro-Atlantic aspirations. As a consequence, the reform process, including defense reform, has stalled.

NATO Aspirations

13. (C) Most Bosnians believe NATO membership is necessary for their country's long-term peace and prosperity, and Bosnia's main politicians all ostensibly support Bosnia's membership in NATO despite recent rumblings from RS politicians about the lack of support for NATO among their constituents. President Komsic officially requested a Membership Action Plan (MAP) in October, and Bosnian officials are lobbying to be granted MAP in December if Montenegro is given MAP. However, the political consensus on Bosnia's NATO future exists in word only, not in deed. There has been no political will -- and very limited understanding of the need -- to make progress on the outstanding defense reform objectives. Bosnian politicians of all ethnicities argue that NATO membership will guarantee Bosnia's otherwise-elusive internal stability. They are deaf to the argument that stability must precede and is a condition for membership. RS politicians continue to argue for reduced military budgets, talk openly about the "demilitarization" of Bosnia, obstruct progress dealing with Bosnia's thousands of tons of excess weapons and ammunition, and have recently suggested that Bosnia's NATO future should be subject to an

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entity-level referendum in the RS (which would doubtless become a proxy referendum on the statehood of Bosnia). RS politicians, including President Radmanovic, have also raised doubts about the Defense Ministry's recent proposal to contribute a deployment to Afghanistan, some expressing disapproval with plans to deploy with Turkey in light of Turkey's support for Bosniak parties in Bosnia and others disapproving of any deployment with NATO at all.

Defense Reform: Stalled and in Danger of Backsliding

14. (C) Defense reform remains one of the biggest success stories in Bosnia since Dayton. Since creating a single state defense institution in 2005 Bosnia has taken the first steps to create a unified, effective military. Bosnia' Armed Forces and politicians recently proved excellent hosts of Combined Endeavor 2009, bringing together forty NATO allies and partners in Banja Luka in September. Nevertheless, since signing the agreement on moveable defense property in 2008, there has been little progress on Bosnia's remaining defense reform objectives. Among other things, the Ministry of Defense and Armed Forces must still implement the agreement on moveable defense property by selling, donating or destroying excess weapons and ammunition. agreement on immovable property is also necessary to allow the Armed Forces of Bosnia and Herzegovina to sell excess real estate and free its forces from the taxing burden of guarding excess sites. The resolution of defense property issues is, at U.S. insistence, one of the five objectives set by the Peace Implementation Council as a pre-condition for closing the Office of the High Representative and therefore part of the package of reforms launched by the European Union and the U.S. in October.

The Importance of NATO HQ

 $\P5.$ (C/NF) The cooperative action of the United States and NATO HQ Sarajevo has been critical to the success of Bosnia's defense reform so far, and is equally critical to the future of our defense reform agenda. Post worked hard to bring back U.S. leadership of NATO HQ in the belief that if we want

Bosnia to progress towards eventual NATO membership, NATO HQ must continue to provide hands-on support to the NATO accession process. We continue to support maintaining the presence of NATO HQ in Sarajevo, and under U.S. leadership. NATO's role in ending the war, and NATO HQ's success in forging a unified armed forces in Bosnia give it a credibility that EUFOR and European leadership in general lack in Bosnia. The EU is associated with their record during the 1992-1995 war, UNPROFOR, the failure of police reform, and the fact that EUFOR had openly been pulling up stakes as the political situation in Bosnia deteriorates, a trend that seems to have reversed. Bosniak leaders, especially Haris Silajdzic, are making much of former President Clinton's recollection in Taylor Brand's book, "The Clinton Tapes," in which the former President accuses Mitterand and others of using the 1992-1995 arms embargo to prevent the rise of a Muslim state in Europe. Bosnians remember that it was NATO under U.S. command, and vigorous bilateral U.S. diplomacy, that ended the war in 1995. Reestablishing U.S. leadership at NATO HQ will maintain our ability to leverage NATO's influence in Bosnia and reduce the growing perception that the international community, including the United States, is heading for the back door. Finishing defense reform is critical to locking Bosnia on its Euro-Atlantic path, and American leadership, within NATO HQ's mandate, of defense reform is crucial. It is also in our overall interest to scotch any perception that the U.S. is reducing its military commitment to supporting the development of a strong and unified Bosnian military.

Conclusion

16. (C) Over the past 14 years, the U.S. has made a substantial investment in Bosnia. These investments have been critical to securing our interests here, in the Balkan region, and more broadly, in building a Europe whole, free and at peace. The deteriorating political situation over the past three years has showed that our accomplishments remain fragile. Restarting the process of reforms remains critical.

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A drawdown in the international presence or the failure of international institutions to provide effective leadership of the reform agenda can lead to a roll back of the reform process and an upswing in interethnic tensions. Given Bosnia's current political trajectory and the European Union's inability to drive reform, it is imperative for the U.S. to maintain a high profile as a cooperating partner with Bosnia, keep leadership especially of the defense reform process and to finish what we started. A robust and visible military relationship, combined with U.S. leadership of NATO HQ Sarajevo at the flag level is necessary to Bosnia's reform process and to assure the Bosnians of our commitment to Bosnia's progress on its Euro-Atlantic path as its only option.